MBAWare Enterprises, Inc.
4606 16th Street North
Arlington, VA 22207
E-mail: info@mbaware.com
Toll Free: 877-622-9273

April 2, 2007

Chairman Kevin Martin
Federal Communications Commission
445 12th Street, SW
Room #8B-201
Washington, DC 20554

RE: M2Z – Free Broadband Internet Application (WT Docket 07-16 and 07-30)

Dear Mr. Martin:

MBAWare was founded in July 2001 to provide an online marketplace for powerful off-the-shelf business software. Through the Internet, we have quickly gained a diverse base of over 2,500 customers in more than 40 countries including CPAs, business consultancies and partnerships; small and mid-size firms; schools and universities; non-profits; state and federal government agencies; as well as a variety of larger firms such as AT&T, Coca Cola, Deloitte, GE, HP, Johnson & Johnson and Microsoft.

I recently read about M2Z Network's application to expand the reach of the Internet in the US by providing a free, broadband, national wireless Internet service. As many as 114 million Americans lack access to broadband internet and the success of my business, like many others, depends on healthy competition and a virtuous cycle of Internet innovation to reach and service our customers. But the US is falling behind. As reported in a recent article of Business Week (March 28, 2007), the sixth annual Global Information Technology Report shows that the U.S., which topped the Networked Readiness Index in 2005, dropped to No. 7 last year and the report cites a "relative deterioration of the political and regulatory environment" as the cause.

The FCC has the power to reverse this troubling trend of declining American competitiveness. If approved, the service by M2Z will spur the type of innovation needed to keep this sector of the American economy vibrant and competitive. I would encourage the FCC to act immediately, without delay, and to grant a license to M2Z to build out their ground-breaking new service.

Sincerely,

Bob Deily
Founder / Owner
MBAWare
877-622-9273
www.MBAWare.com

cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell

The McGraw-Hill Companies
BusinessWeek.com

March 28, 2007

Europe Tops World in Network-Readiness

A study finds the Old World strongly pushing tech resources to drive growth. The U.S. is losing steam, while China and India are lagging

by Dan Carlin

By most measures, China's economy is charging full speed ahead. Annual growth in gross domestic product is estimated at 8%, whole cities are rising from the ground, and stock and real estate markets are booming. But according to an annual report released Mar. 28 by the World Economic Forum (WEF), for all China's success it still lags badly in some lesser-noticed indicators that could be critical to its future, such as cheap cell-phone and Internet access, the establishment of an entrepreneur-friendly legal framework, and protection of intellectual-property rights.

The sixth annual Global Information Technology Report, prepared by the Geneva-based WEF and French management school INSEAD, presents a snapshot of how well 122 countries leverage information and communications technology (ICT) to drive economic growth. The stunning result of the 2006 study: Five of the top 10 countries on this year's list are Nordic, and eight are Northern European. Singapore is the sole representative of Asia in the top 10. **And the U.S. fell six places this year, from No. 1 on the 2005 list, due to what the report calls "relative deterioration of the political and regulatory environment."**

Dozens of Factors

To be sure, the Global Information Technology Report isn't predictive. The study weighs dozens of factors, ranging from Internet penetration and the price of phone service to the quality of education and the availability of venture capital, and derives from them a "networked-readiness index" for each country. Those that rank highest this year—Denmark, Sweden, Singapore, Finland, and Switzerland took the top five slots, respectively—don't necessarily have the strongest short-term economic growth.

But according to the authors of the study, countries that have high networked readiness are more likely to flourish over the long haul in the emerging, information-driven global economy. That includes adopting clear strategies for spreading new technologies such as broadband Internet, third-generation mobile networks, and e-government, while fostering a transparent, business-friendly policy environment with excellent education and intellectual-property protection.

"Leveraging ICT is increasingly becoming an essential instrument for countries to ensure prosperity and competitiveness," says Irene Mia, senior economist for the Global Competitiveness Network at the World Economic Forum and co-editor of the report. "Nordic countries have shown how an early focus on education, innovation, and promotion of ICT penetration and diffusion is a winning strategy."

Estonia's Transformation

One case study in the report looks at the tiny Baltic nation of Estonia, which posted GDP growth of 10.5% in 2005 and ranked No. 20 this year in networked readiness—the first time a former Eastern bloc country has made the top 20. After the fall of the Iron Curtain, Estonia set out to transform itself from a backward, centrally planned economy to free-market capitalism. The government of Prime Minister Mart Laar put a priority on spreading the use of cell-phone technology and the then-nascent Internet, starting within his own cabinet. In 2000, the Estonian parliament even approved a clause protecting a citizen's right to Internet access, and made hundreds of free Internet access points available throughout the country.

The result, according to the study's co-editor, Soumitra Dutta, professor of business and technology at INSEAD, was that Estonia built a streamlined, business-friendly, and technologically advanced society that now attracts considerable foreign investment and hosts scads of small e-businesses. "It was never about gimmicks," says Dutta. "It was driven by an urge to increase transparency and to help the society modernize."

Such a transformation is easier to pull off in a small, coherent nation than in huge, chaotic places such as China and India. That's one reason those countries lag in networked readiness, despite impressive economic growth. China not only ranks 59th but also fell nine rungs in this year's study, in part due to the difficulty of diffusing ICT from wealthy coastal cities to the poorer interior. India ranks 44th and Brazil, 53rd.

Other Regions

The report offers generally mixed signals about the developing world. In Latin America, ICT access and use are spreading rapidly, thanks to the fact that several area governments—including those of Guatemala, Mexico, and Argentina—are making a national priority out of bridging the digital divide. One technique is to quickly grant licenses to cell-phone operators and foster open markets for Internet providers. Several nations in the region have even appointed ministries of technology, or at least incorporated IT issues into the portfolio of the ministry of industry, says Dutta; this

signals an increasing awareness in the developing world that access to technology is crucial for prosperity.

The situation is far bleaker in Sub-Saharan Africa, which lags well behind the rest of the world. Worse, every country in the region except for Nigeria dropped in this year's networked-readiness index. But Markus Haacker, an economist at the International Monetary Fund who authored a case study on Africa for the Global Information Technology Report, says that despite the drop in rankings there are signs of slow progress there.

For one thing, the spread of cheap cell-phone service in Africa since the late 1990s has strengthened small businesses, allowing them to communicate more easily with clients and partners. That has also encouraged quicker economic transactions. Sectors such as manufacturing, which generally are not information-intensive, "are very much benefiting from Africa's improved quality as a location for production," says Haacker.

By contrast, Internet access only started appearing widely in Africa in 2001 and remains hampered by frequent power outages and other problems. That makes it unlikely that Internet-based jobs, such as call centers, will set up shop there anytime soon, Haacker says.

Behind the U.S. Slip

The U.S., which topped the Networked Readiness Index last year, dropped to No. 7 in part because of an increasingly slow and complex legal and regulatory environment. Professor Dutta points out that the U.S. is burdened by a cumbersome taxation system (ranked No. 31 in the world); a legal framework (ranked No. 25) that produces innumerable corporate lawsuits; and a limited use of ICT to streamline government (No. 40 in the world). The U.S. even remains behind in mobile-phone usage, being ranked No. 48 worldwide.

"They cannot assume that because it's the leading economy of the world, it's also at the leading edge of using technology for development," says Dutta. According to the report, the U.S. still ranks strongly in Internet penetration, university education, investment in research and development, and venture capital. But when all the numbers are added up, Europe is moving ahead faster in building for the future.

Carlin is a reporter in *BusinessWeek*'s Paris bureau.